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**Integrating Academic and Organizational
Approaches to Developing the
International Manager**

**CEO Publication
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Abstract

The emerging global economic environment has produced a new and critical human resource demand, one that will become even more important in the decades ahead--the international manager. At present, two primary international management training approaches exist: organizational and academic. In this manuscript, we attempt to describe differences between the two, and show how both are necessary but not sufficient in developing the international manager of tomorrow. We discuss the specific tasks and individual demands that our training institutions should attempt to address, and call for an integration of both approaches.

Introduction

The concept of a world economy has become an economic and social reality in the last decade. Information processing capabilities, telecommunications, increasing numbers of multinational organizations, the de-industrialization of the United States, and the industrialization of less developed countries have blurred once distinct economic and cultural boundaries. These are but a few of the factors that have accelerated economic integration and interdependence across national boundaries, bringing about a transnational economy. This emerging global economic environment has given rise to a new and critical human resource demand: the development of the international manager.

Multinational organizations require managers who are sensitive to the unique decision making and action implementation demands typical of a globally-interdependent international economy. These international managers must be capable of accessing and integrating information through multiple cultural filters as well as capably developing and enacting multiple strategies for organizational goal achievement. They demand individuals who are able to function within a complex, uncertain transnational environment characterized by continuous change.

The development of international managers takes place primarily in organizations and academic institutions. Each of these entities socializes a new member using a distinct set of values, beliefs, and strategies. In this manuscript, we profile and compare these developmental philosophies and associated activities. The profiles will then be contrasted against a set of values, beliefs, and strategies which appear empirically and anecdotally to contribute to the effectiveness of the international manager. Finally, an integrated set

of values, beliefs, and strategies will be offered as a guide for the future development of international managers.

Job Demands of the International Manager

The truly international manager is confronted with a generic job description which forces him or her to negotiate the uncertainty of a global economy while simultaneously managing home and host country specific factors. This complex task is becoming even more challenging. The international managers of today and tomorrow are confronted with social expectations and business environments which may bring about a redefinition of "management" in future decades.

The macro global environmental conditions presently confronting international managers have been detailed in a report jointly sponsored by the American Assembly of Collegiate Schools of Business (AACSB), and the European Foundation for Management Development (EFMD)(1). Based on the data in the report, Dymysza has outlined the social expectations and business environments of the future. Some of these "future" characteristics which are now creating critical managerial problems are presented below.

- The movement from relative abundance to scarcity of natural resources and the subsequent impact of scarcity and increased costs of raw materials and energy on management decision making. This includes decisions on strategic planning, investment decision making, assessment of risk, introduction of new technologies, dealing with conservation programs and evaluations of various trade-offs in decisions between costs, efficiency, safety, ecology, quality of life, and other factors.

- The necessity for managers of international organizations to understand foreign cultures and national aspirations and to adapt decision making accordingly.
- Increases in the number and effectiveness of claimants who make demands on business. This includes domestic and foreign governments, unions, communities, professions, consumers, environmentalist, special interest groups, and others. There will be an extraordinary degree of importance placed on negotiating skills, including simultaneous negotiations with multiple claimants and groups.
- Continual change will necessitate greater flexibility of organizational structures. This need for greater flexibility will be brought about by the increasing complexity of business, the drive for more individual participation, the concern for more adaptation to local conditions, and the pressure for greater decentralization of management and organization (particularly that of multinational corporations). Simultaneously, because of the benefits of economies of scale and rationalization, there will be pressure for greater centralization and global integration.
- The interdependence characteristic of the global economy increases the vulnerability of international (and domestic) business to political and economic instability, developments in the international monetary systems, inflation, economic recessions, the availability of oil and other natural resources, and international terrorism.

These are only a few of the future state characteristics that have implications for international managers. They capture the turbulent

nature of the social demands and business activities international managers face in the future as well as the present.

The international manager is also subject to a set of demands from his or her immediate international job context. The manager must also consider:

- home country socio-cultural variables;
- host country socio-cultural variables;
- environmental variables; and
- contextual variables.

The expatriate manager on assignment must understand his/her home culture and the basic assumptions underlying and guiding the "way work gets done around here." He or she must also come to a similar understanding about the host culture. Both cultures have value orientations which profoundly influence member behaviors. Kluckhohn and Strodtbeck (3) define a value orientation as a "generalized and organized principle concerning basic human problems which pervasively and profoundly influences man's behavior."

They identified five basic value orientation issues common to all cultures and a range of dimensions which guide responses to the issues. The five issues describe a culture's value orientations toward: the nature of human beings, their relationship to nature (the physical environment and the supernatural), their relationship to other human beings, their primary mode of activity, and their temporal orientation. These value orientations directly impact organizational and management processes and are critical data contributing to the effectiveness of the international manager.

While sub-cultures abound within the United States, a generalized value orientation profile of the "typical" American follows (4). Americans have traditionally viewed people as a mixture of good and evil, and as having the responsibility of choosing good over evil. Americans also approach the world from a "dominant" perspective. They anticipate predictable stability because they believe they can control the climate (e.g., air conditioning), prolong life with artificial organs, and in general, exert control over the external environment. They are exceedingly individualistic, using personal characteristics and achievements to define themselves. The primary mode of activity is "doing." Americans strive. They live to work and measure their accomplishment according to how well and how much they have done within certain specific time frames. They "hurry" the natural order of things--as opposed to the orientation of "being" which believes that it is neither good nor possible to hurry the natural order of events. Finally, Americans have a present to slightly future time orientation. According to Adler and Jelinek (5):

Americans talk about achieving five and ten year plans, but work for this quarter's results. American employment practices are similarly short-term. Managers who do not perform well during their first year are fired or, at best, not promoted. Companies do not give them ten years to demonstrate their worth; nor do new employees, especially new MBAs, give the organization a decade to recognize their contributions.

The distinctly United States value orientation profile presented above differs significantly from the Japanese, Indian, and Brazilian. It resembles the Swiss and the German (6). The extent to which these value orientations differ from one another becomes relevant information to the effective expatriate manager.

Geert Hofstede (7), director of the Institute for Research on Intercultural Cooperation at Arnhem, the Netherlands asserts that both management practitioners and management theorist have been blind to the . . .

. . . extent to which activities like "management" and "organization" are culturally dependent. They are culturally dependent because managing and organizing do not consist of making or moving tangible objects, but of manipulating symbols which have meaning (through value orientations) to the people who are managed or organized Practice is usually wiser than theory, and if we see what effective organizations in different cultures have done, we recognize that their leaders did adapt foreign management ideas to local cultural conditions.

Adapting "foreign management ideas to local cultural conditions" involves having a deep understanding of the value orientations guiding the ideas and the ability to culturally translate relevant symbols into those with meaning in the local culture. Hofstede uses the following example to illustrate this point.

Free market capitalism as practiced in the U.S., for example, is an idea which is deeply rooted historically and culturally in individualism. "Everybody for himself" is supposed to lead to the highest common good If this idea is forced upon a traditionally Collectivist society (i.e., the Japanese), it means that work organizations will be created which do not offer to employees the protection which they expect to get in exchange for their loyalty.

Hofstede further asserts that present-day management theories and practices are ethnocentric and that the effective international manager must be culturally sensitive in applying both theory and practice--in effect, an organizational or managerial anthropologist.

Robock and Simmonds (8) agree and assert the need for a special kind of personal and emotional radar that alerts managers when certain values and actions in the home country environment are different in the host country environment. Successful international managers need this

perceptual flexibility to comprehend underlying differences and to recognize that behavior and sets of values different from their own are valid for others.

Sensitivity to local conditions is required for managerial success. It implies an acceptance of the "rules of the game" as played in the local environment. This involves an understanding of the rules and sufficient empathy with the local culture to develop an emotional acceptance of the rules as a way of doing business. Being sensitive to local conditions involves not only understanding the value orientations of the culture, it also means understanding and accepting the environmental and contextual variables characteristic of the local culture. These include the existing political, economic, legal, technological, religious, and climatic conditions.

The effective international manager will recognize that sensitivity to local conditions and values orientations has advantages and disadvantages. These are presented in Table 1 [adapted from Doz and Prahalad (9)]. The challenge confronting the manager is to balance the advantages and disadvantages in a manner which facilitates and integrates the corporation's goals with those of the local populace and government. Such activity often requires that the manager not only be able to negotiate between and among groups of individuals with special interests, he or she must also be able to navigate through diverse value orientations and generate an acceptable translation or integration of positions on which action is to be taken. Without this ability, "ethnocentrism" on the part of home or host country will unduly bias managerial activity.

Insert Table 1 About Here

This discussion of the demands of the international manager's job is predicated on proficiency in the host country language. A society's language is a door which opens onto the values, beliefs, and cultural strategies controlling the behavior of its members. Understanding the intricacies and structure of a host country's language facilitates an understanding of the work force which must be managed.

Competencies of the Well Developed International Manager: A Review

International organizations which have adopted a strategy of placing expatriates in top management positions at host country locations should select and train individuals who have both technical and contextual competence. The technically competent manager knows the industry, the functional/managerial responsibilities, and the role of the subsidiary in the organization's global strategy. The contextually competent manager is able to:

- Intellectually and emotionally understand the value orientations and associated dimensions of both home and host countries.
- Speak with conversational proficiency the host country's language.
- Translate, adapt, integrate, and operationalize functional managerial responsibilities according to local conditions. This includes, but is not limited to, management style, reward system, time orientation, work design, and organizational structure.
- Recognize the importance of local religious customs, local climate conditions, local history, as well as various political and regional alliances.
- Understand the necessity of introducing technological advances at an appropriate pace.

- Contribute to a global optimum, rather than a local optimum. In some sense, this means making choices which benefit the overall organization even if they come at the cost of short-term personal interest. According to Doz and Prahalad (10) "[He/she] is committed to overall corporate performance, rather than local results."
- Understand the difference between technical information (i.e., discipline or function relevant information) and social information (i.e., culturally relevant information), and act as a boundary spanning interpreter of both information types for home and host country personnel and decision makers (11).
- Balance strategies for exerting control (i.e., attempts to keep the environment from changing in ways which will adversely affect the organization) and strategies for increasing flexibility (i.e., means of increasing the firm's adaptability to a changing environment) when confronted with increasing uncertainty (12).

Having identified the skills and abilities of the international manager from a technical and contextual framework, we believe these skills and abilities enhance one's values and beliefs substantially. The net result is what we believe constitutes a superordinate value orientation and set of managerial strategies which are described by the following characteristics:

- Cognitively complex. The international manager has a well-developed intuitive perceptual acuity which facilitates the perception and interpretation of cultural patterns of thought and behavior.

- Self-Monitoring. The international manager has the personal flexibility to adjust to social demands of multiple cultural patterns of thought and behavior.
- Boundary Spanning. The individual serves as an interpreter between the home and host country cultures on all issues related to organizational operations. These include technical and social information, cultural symbols, histories, value orientations, and political and economic contextual issues.
- Global Orientation. The manager understands the systemic and interconnected nature of a global community. Also, he understands the roles his home and host countries play within the macro-global economic community.
- Geocentric. The international manager has internalized multiple world views and value orientations and recognizes that there is rarely "one best way" to do anything, and that the challenge for success lies in managing the social and technical forces which exist in any organizational situation.

The manager described here has the ability to perceive patterns of thought and action, accurately interpret and attribute meaning to the patterns, integrate the meaning of the patterns with others, and finally create organizational opportunities where the patterns can interact in the service of mutually beneficial goals. Table 2 offers a summary of the key success factors for the international manager.

 Insert Table 2 here

The Development of the International Manager

University business education programs have proliferated in the last twenty years and the MBA has become a necessity for entry into fast track business careers. However, according to a recent study (13), the graduate from the average MBA program with "international business" as a designated major has had mostly a domestic focus, three or four classes in international business, and no language training.

While criticism of MBA programs and graduates abound (14, 15, 16, 17), an in-depth review is beyond the scope of this manuscript. The reader is referred to Finney and Siehl (18) for a more detailed discussion of the issues confronting current MBA programs.

The macroglobal environmental conditions confronting future international managers and suggestions for improving management education are presented in the AACSB/EFMD report mentioned earlier. Those recommendations relevant to international management include the following:

- * Management schools should develop future managers with a "portfolio of capabilities" (i.e. quantitative, computer, functional knowledge, communications, interpersonal, bargaining, negotiation, entrepreneurship, administration, and critical thinking abilities).
- * Besides economics and functional fields, international business education must include competency in foreign languages and the knowledge of various cultures' histories, literatures, sociologies, and religions.
- * Develop more faculty with global competencies. International executives should be used to supplement existing faculty.

* Management schools should teach more effective environmental scanning and analysis.

* Management schools should strive to develop experimental courses in creativity, managerial innovation, and critical thinking.

Exceptions to a general indictment of MBA programs exist, though they are few. Some schools design international degrees that are truly "international" (e.g., University of South Carolina). Other schools offer master degrees designed to meet the real world demands of developing international managers. Examples of these are the University of Southern California IBEAR Program, an international executive MBA program, and the Master of International Management offered by the American Graduate School of International Management-Thunderbird Campus.

In an effort to better understand international management development activities as they are enacted today by international organizations, the authors undertook a survey of a small but select sample of large multinationals. We had hoped that through these interviews and a review of the existing literature we would be able to identify a set of general organizational practices which contributed to international management development. Such a set did not emerge and we concluded that developmental activities varied with each organization depending upon a variety of situational factors. Among the organizations surveyed was Caterpillar, Hewlett Packard, IBM, and Citibank. Interview results and the literature reviewed indicate that the following beliefs and activities are guiding the development of international managers.

- Organizational efforts to develop international managers are most frequently designed to meet the demands of

organizationally-specific work activities in a specific country. These developmental efforts are somewhat parochial in that, generally, they do not foster a global perspective or adequately prepare the manager to manage host country nationals in the host country environment.

- Value was placed on company knowledge and the ability to do the work of the company. Expatriates must be able to competently manage their functional responsibilities and "sell," "loan," "trade," or "build." Cross-cultural knowledge and language are important but the expatriate manager must be able to perform his or her work.
- Several of those interviewed emphasized the importance of the prospective manager having had an "international experience." This was most clearly described in the Hewlett-Packard interview as "an event, experience, failure, or success which triggers a global perspective and results in an individual who has pride in his ability to cope no matter what country he is in."
- There appears to be no substitute for on-the-job experience-- and knowledge of the host country language is important.
- Many businesses feel that foreign language competency is important but that other skills and knowledge are more critical. These skills include proven sales ability (19), people skills, and functional business knowledge (20).

In some organizations (e.g. Hewlett-Packard) country specific training takes place strictly on an individual basis, but an international perspective is woven into all management training

programs. Other organizations (e.g. Levi-Strauss International; Pepsi Co. International, Chevron Overseas) have moved responsibility for developing international management to their domestic (located in the U.S.) international divisions. A few (e.g. Citibank) do not have centrally controlled international development programs. They have geographically and organizationally decentralized all training and development responsibilities. Such a design allows for highly sensitive country or region specific content and process training. While this approach has country specific training advantages, it often presents barriers to true international training in that it filters out content related to the global arena's complex economic conditions and environments.

A Suggested Integration

It becomes obvious that neither academic nor organizational approaches are adequately preparing American managers for successful careers as international managers. Those who have been successful have usually learned through trial and error during a period when change was less rapid and internationalization less necessary.

Organizations can no longer afford to rely on those hit-or-miss strategies, particularly since the costs of "missing" are now so high. We believe schools of business will have to adopt an external as well as internal service orientation and begin interacting with the consumers of their services. If they do not, the credibility of their graduates will continue to be questioned and professional training organizations will undoubtedly usurp their market. Business schools and organizations will have to merge theory and practice into a process for developing managers to meet the demands outlined here.

We believe joint programs undertaken by organizations and business schools are necessary. The consumer needs to communicate with the service provider and negotiate the criteria defining a quality business school graduate who is also a prime candidate for an international position.

Organizational consortiums could become business school sponsors and contribute curricular ideas and opportunities for on-the-job training for interns at overseas locations. Business schools could then become actively involved in practical action research in international management and use the conclusions of such research to further define and refine the content of courses in international business.

We recognize that the joint venture suggested here has little to no appeal for schools or organizations which are focused on immediate or short-term pay-offs. Given the values orientation profile of the typical United States citizen reported earlier one could anticipate that institutions composed of groups of such individuals would have similar profiles. These institutions could be characterized as having a present to slightly future time orientation and as measuring accomplishment according to how well and how much (i.e., profits and students graduated?) they have done within certain time frames.

The joint venture we propose would be an investment in the future--not the present. It would demand considerable resource allocation on the part of schools and organizations. These resources would be financial and human. The proposal would involve high sunk costs in planning, designing, and strategy development. It would necessitate major changes in schools particularly. Decision makers in academic environments would have to share responsibility for the design

of curricular androgogy, content, and process. Curricular design is a jealously guarded right in most academic environments, with change occurring only when the economic or intellectual integrity of the school is serously at risk.

The horizon of the arrangement suggested here is distant. It is a long-term solution which would allow the student to have the "international experience" many feel is necessary to success. It would offer an opportunity for organizational and academic leaders to create mutually agreeable curricula which would develop cognitively complex self-monitoring managers who have global perspective and boundary spanning capabilities. At the same time, the emphasis on functional managerial activities could be taught from a geocentric rather than ethnocentric value orientation.

According to Snyder (21) the high self-monitoring individual is one who, out of a concern for the situational and interpersonal correctness of his or her social behavior, is sensitive to the expression and self-presentation of those with whom social interaction is occurring and uses these cues as behavioral (verbal and non-verbal) guidelines for his or her own self-presentation. The self-monitoring manager possesses the ability to preceive the behavior and thinking patterns associated with differing value orientations and match his or her behavior to the demands of the orientation.

Several classroom processes exist which would facilitate self-monitoring behavior. Interpersonal skills training emphasizes sensitivity to the verbal and non-verbal behavior of others. Neurolinguistic program processes (22) provide skills training for improving non-verbal perceptual ability. Behavioral modeling

technologies can help improve individual flexibility. These processes can be incorporated and emphasized in the development of international managers.

Cognitive complexity can be enhanced in the learning environment by creating classroom exercises facilitating the integration of information into multiple solution models rather than the "one-best way" model building that occurs too frequently. Cognitive simplicity is the result of the forced filtering of information to make the data and solution fit the model used to address a problem or make a decision. The joint venture advocated here would provide the classroom with 'living' cases brought from the international arena by organizations. Actual problems with their attendant "messiness" and potential multiple solutions could be offered as case exercises. Practice with such information rich situations would, at the very least, exercise the potential international manager's cognitive flexibility and complexity.

Given the social expectations and business environment outlined earlier and the nature of the international manager's task, it behooves the two institutions with vested interests in the success of international managers to work together to forge a synthesis of values, beliefs, and strategies for developing what will increasingly be a scarce resource: managerial expertise. This synthesis must integrate academic and organizational values, beliefs, and strategies as well as the superordinate values and strategies demanded by the task. Both the academic and organizational approaches to management development concentrate on some factors to the exclusion of others and are institutionally-biased. By themselves, they do not recognize or address the full set of task requirements.

We strongly believe international managers will be the next decade's cultural integrators. The integration of cultures will be their job--whether the activity is an intended or an unintended consequence of their managerial behavior. Properly developed, they will emerge capable of further integrating our transnational world community. Historically, trade and commerce have provided a peaceful means of cultural integration. When we consider the alternatives, the importance of international management development becomes more apparent.

Table 1

Local Sensitivity: Advantages and Disadvantages	
Advantages	Disadvantages
<ol style="list-style-type: none"> 1. Provides a visible local face for organization, rather than a foreign one. 2. Allows easier acceptance in the local community. 3. Maximizes the number of available options in the local environment. 4. Facilitates recognition of the organization as a legitimate participant in the local economy. 5. Facilitates effective representation within the organizational decision making processes local considerations and constraints (i.e., local priorities and global demands can be fairly balanced). 6. Helps the organization to become enough of an "insider" locally to participate in local deals. 	<ol style="list-style-type: none"> 1. Makes balancing advocacy between local demands and global priorities more difficult. Managers committed to the local environment may also see their knowledge of the environment, and the credibility it gives them with their own employees, as a power base to be protected. 2. Increases the tendency to put off difficult local decisions, such as layoffs, until they are unavoidable in a crisis situation and are even more difficult, costly, and painful than if they had been implemented earlier. 3. Creates delays in identifying and accepting a global role for subsidiaries, when such a role entails compromising local interests for global priorities.

Table 2

Key Success Factors for the International Manager

Task Demands	Individual Demands
<p><u>Technical Demands</u></p> <ul style="list-style-type: none"> • Knowledge of industry • Functional/managerial skills • Knowledge of subsidiary's role <p><u>Contextual Demands</u></p> <ul style="list-style-type: none"> • Understand value orientations • Translate, adapt, integrate, and operationalize functional/managerial responsibilities based on local conditions. • Recognize importance of local religious, historical, and political customs • Understand technology-transfer implementation • Take an organizational approach - not just an individual approach • Understand technical/social information • Balance control/flexibility strategies 	<ul style="list-style-type: none"> • Cognitive complexity • Self-monitoring • Boundary spanning • Global orientation • Geocentric • Language proficiency

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